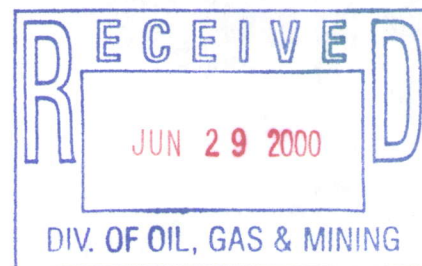


Surface Examination Report

Field File **ML-44446** L.S.

May 16, 1995



Date of Inspection: May 16, 1995

Persons Present: William M. Stokes, SITLA, Minerals

Conditions: Good

Lands: T. 1 S., R. 7 W., SLM, Section 36, NE1/4, NE1/4NW1/4, SE1/4NW1/4

Mineral estate only.

DOGM # M/045/028

On May 16, 1995, a surface examination was performed on the above referenced land to determine if there was any surface disturbance and if leased substance was being removed from the leased premises.

For the purpose of this inspection access to Section 36 was gained by hiking from the NE corner of Section 36 along the north section line of Section 36. The NE corner of Section 36 can be found near the road that accesses the Chemical Lime Plant in Tooele County. The access road to the Chemical Lime Plant was once part of State Route 138 which is the main road that passes through Grantsville, Utah. The NE corner of Section 36 is located approximately 1/3 of a mile southeast of the Chemical Lime processing plant and can easily be found in the field by reference to various topographic features as shown on the accompanying map of the subject lands.

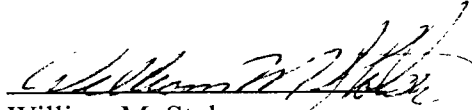
A Brunton compass was used to identify the trace of the north boundary line of Section 36 from the northeast corner of Section 36 and red surveyors flagging was placed along the north section line to identify the boundary between Section 25 and Section 36.

It should be mentioned that on May 21, 1936, through Certificate of Sale No. 22389, the State of Utah sold the surface estate of Section 36, into private ownership to Mr. E. J. Jeremy. Without benefit of a title examination it is believed that the surface is presently owned by Thousand Peaks Ranches.

The accompanying map which was provided by Chemical Lime and apparently produced by Chemstar Lime does not accurately show the exact location of surface disturbance and mining that is presently being conducted on Section 25, just north of Section 36. A more accurate outline of surface disturbance in the S1/2 S1/2 of Section 25 is depicted in red on the accompanying map. At the time of this inspection mining operations were being conducted on a hill in the S1/2S1/2 of Section 25 that is identified on the accompanying map at Bench Mark elevation point 4795. The North boundary line of Section 36 is approximately 30 feet south of any surface disturbance that has been created by Chemical Lime's mining operations. The only disturbance of any kind on the leased lands is what appears to be infrequent use of a preexisting road that traverses the hill top in the NE1/4 of Section 36. This road is shown on the accompanying map.

Because of the size and extent of the Limestone deposit that is currently being mined by Chemical Lime, in Section 25, it may be a number of years before SITLA realizes any royalties from production of Limestone from the mineral estate on Section 36.

Attached to this report are several photographs showing various features observed in the field.

A handwritten signature in black ink, appearing to read "William M. Stokes", written over a horizontal line.

William M. Stokes
Minerals Resource Specialist



Photo # 1, Found northeast section corner of Section 36, T. 1 S., R. 7 W. SLB&M. Looking west.



Photo # 2, Looking east along north section line of Section 36. Land on right side of dashed line is in Section 36. Land on left side of dashed line is in Section 25. The northeast section corner of Section 36 is out of sight, beyond the crest of the hill. The road in the background is the access road to the Chemical Lime plant.



Photo # 3, Looking north from existing road in Section 36 onto position of the north boundary line of Section 36. The arrow shows disturbance has taken place on Section 36.



Photo # 4, Looking east along north section line of Section 36 from near the existing road that is depicted on the accompanying map. Note nearest surface disturbance on left side of photograph.



Photo # 5, Looking north from just inside Section 36 on the east side of the hill at a point just east of the existing road that is depicted on the accompanying map. The dashed line indicates the approximate position of the north line of Section 36. Note all mining disturbance in just north of the north section line of Section 36 on Section 25.



Photo # 6, Looking south down the existing road in Section 36 from a point on the north line of Section 36. This is the only surface disturbance that exists on the lands leased under ML-44446.

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MUDFLAT

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CHEMSTAR LIME
Surface Inspection 5/16/95 SITLA
Grantsville Utah Plant

Disturbed Area Map

